

Roll No.

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Candidates must write the Code on the title page of the answer-book.

- Please check that this question paper contains **6** printed pages.
- Code number given on the right hand side of the question paper should be written on the title page of the answer-book by the candidate.
- Please check that this question paper contains **27** questions.
- **Please write down the serial number of the question before attempting it.**

## ACCOUNTANCY

*Time allowed : 3 hours ]*

*[ Maximum Marks: 80*

### **General Instructions :**

- (i) *This question paper contains three parts A, B and C.*
- (ii) *Part A is **compulsory** for all candidates.*
- (iii) *Candidates can attempt only **one** part of the remaining parts B and C.*
- (iv) *All parts of the questions should be attempted at one place.*

### **Part 'A'**

#### **Accounting for Not-for-Profit Organizations,** **Partnership Firms and Companies**

- Not-for-profit organizations have some distinguishing features from that of profit organizations. State any one of them. 1
- Anil & Manoj are partners. They do not have any partnership deed. Anil wants to introduce his son Suresh into his business, Manoj objects to it What is Your opinion? 1
- In the case of Over-subscription, what are the three different alternatives available to make allotment for the directors of the company. 1
- When partner is admitted to the firm, then he becomes liable to bring the share of his goodwill. Why? 1
- Ravi wants to retire from the firm. There is 'General Reserve' of Rs. 12,000. Ravi wants that it should be divided among all the partners while remaining partners Kavi & Chhavi want that general reserve should remain intact to meet the future contingencies. Whose contention is correct. 1

<b>6. Trial Balance Extracts:</b>	<b>Debit Rs.</b>	<b>Credit Rs.</b>
Investment against Building Fund	30,000	
Building Fund		80,000
During the year amount Spent on the Construction of Building	50,000	

Additional Information: Accrued Interest on Building Fund Investment Rs 900. 3

7. Ludhiana Wool Ltd. Had a registered capital of Rs. 1,00,000 divided into ordinary shares of Rs. 10 each , Rs. 7.50 per share called up. When the final call of Rs. 2.50 per share was made all the shareholders paid their money in full excepting two shareholders, one holding 100 shares & the other holding 200 shares. These shares were forfeited in due course & were re-issued to a new share holder who paid Rs. 5 for each share. Pass the necessary Journal Entries. 3
8. Raj Ltd. Purchased assets from Raju Ltd. For Rs. 3,50,000. A sum of Rs. 75,000 was paid by the means of bank draft and for the balance due Raj Ltd. issued equity shares of Rs. 10 each at premium of 10%. Your required to Journalise the above transactions in the books of Raj Ltd. 3
9. Ram, Bharat & Lakhan are partners in firm. Their respective capital contributions are Rs. 30,000, Rs.50,000 & Rs. 80,000.and profit-sharing ratio is 1:2:3. Immediately after the allocation of Rs. 36,000 as profit for the year ended31st March, 2008, it was discovered that in arriving at profit for 2007-08 the following items have been ignored:
- i. Interest on capital @ 10%.
  - ii. Interest on drawings of Rs. 1,500, Rs. 2,000 and Rs. 2,500 respectively.
  - iii. Outstanding Salary of Rs. 1,800.
- Pass an adjusting Journal entries. 4
10. Hari, Ravi and Kavi were partners in a firm sharing profits in the ratio of 3 : 2 : 1. They admitted Guru as a new partner for 1/7th share in the profits. The new profit sharing ratio will be 2 : 2 : 2 : 1 respectively. Guru brought Rs. 3,00,000 for his capital and Rs. 20,000 for his 1/7th share of goodwill. Goodwill already appears in the books of Hari, Ravi and Kavi at Rs.60,000. Showing your working clearly, pass necessary journal entries in the books of the firm for the above mentioned transactions. 4
11. Rajesh Ltd. Issued 5,000 , 12% Debentures of Rs.100 each at a discount of 8% on 1st April 2005, redeemable in four equal annual installments starting from March 31, 2003. Securities Premium Account shows a balance of Rs. 17,500. Compute the amount of discount to be written off and prepare the ledger of Discount on issue account. 4
12. On 1st April, 2008 ; GMR infrastructure Ltd. Issued 10,00,000 , 9.25% debenture of Rs. 100 each at Discount of 5% and which are redeemable at premium of 15% after 18 months. On the date of issue Company has Balance of Rs. 1,00,00,000 in his Securities Premium Account. Pass the journal entries of Issue & redemption. 6

13. Jai & Veeru are partners. The deed provides inter alia:
- That the Account be balance on 31st Dec, each year.
  - That the profit be divided as follow: Ram One Half, Shyam one third and to Reserve Account One sixth.
- (C) That in the event of the death of a partner, his executor be entitled to be paid out:
- The Capital to his credit at date of death.
  - His proportion of Profit to date of death on the average profit of the last three completed years.
  - By way of goodwill, his proportion of the total profit for the three preceding years.
  - His share of JLP Money.

**Balance Sheet of Jai & Veeru**

*as on 31 Dec 2008*

Laibilities		Amount	Assets		Amount
Capital Accounts			Fixed Assets		27,000
Ram	15,000		Investment		12,000
Shyam	20,000	35,000	joint Life Policy		10,000
Reserve		5,000	Shyam Drawings		3,000
Creditors		12,000			
		52,000			52,000

The profit for the three years were 2006 - Rs. 5,000; 2007 - Rs. 4,500 & 2008 - Rs. 5,500  
Shyam died on 26th May 2009 and Ins. Co. paid Rs. 40,000 for their claim.

Give us the Ledger of shyam after his death.

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14. From the following particulars relating to the Ramakrishna Mission Charitable Society prepare the Income & Expenditure account for the year ended 31st March, 2008 and the Balance Sheet as at that date

**Receipt and Payment Account**

*For the year ending March 31, 2008*

Dr.			Cr.
<b>Receipts</b>	<b>Amount</b>	<b>Payments</b>	<b>Amount</b>
To Balance b/d	10,000	By Rent	65,000
To Subscription	133,000	By Salaries	45,000
To Proceeds of Charity Show	45,000	By Helps to Needy Students	17,000
To Donations	41,000	By Postage & Stationery	13,000
To Admission Fees	23,000	By National Savings Certificate	40,000
		By Expenses on Charity Show	60,000
		By Balance c/d	12,000
	252,000		252,000

Additional Information :

	<b>Opening</b>	<b>Closing</b>
(i) Building	1,50,000	1,35,000
(ii) Stock of Postage & Stationery	500	1200
(iii) Subscription Due	13,000	20,000

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15. X Ltd. Invited applications for issuing 200000 equity shares of Rs.10 each.

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The amount was payable as follows:

On application Rs.3 per share;

On allotment Rs.5 per share;

and on first and final call Rs.2 per share.

Applications for 300000 shares were received and pro rata allotment was made to all the applicants.

Ram who was allotted 400 shares failed to pay the allotment and call money. His shares were forfeited.

Shyam who applied for 300 shares failed to pay the allotment & call money. His shares were forfeited.

Out of the forfeited shares 500 shares Including all share of Ram were reissued as fully paid up @Rs.8 per share.

Pass the necessary Journal entries to record the above transactions.

OR

X Ltd. Issued 10,000 shares of Rs. 5 each, out of these 2,000 share were issued to promoters as fully paid up for their services to the Company the amount of these share was payable as under:

On Application	Rs. 2
On Allotment	Rs. 1
On First Call	Rs. 1
On Final Call	Rs. 1

The amount received in respect of these shares were as follow:

On 6,000 shares the full amount called.

On 1250 shares	Rs. 4	per share
On 500 shares	Rs. 3	per share
On 250 shares	Rs. 2	per share

the directors forfeited those shares on which less than Rs. 4 had been paid. The shares subsequently re-issued at Rs.3 per share as fully paid.

16. P & Q are partners sharing profit in the ratio of 3:2 & Their Balance Sheet was as follow:

<i>Liabilities</i>	Amount	<i>Assets</i>	Amount
Capital Account:		Fixed assets	1,10,000
P 1,00,000		Investment	50,000
Q 50,000	1,50,000	Stock	40,000
Investment Fluctuation Fund	20,000	Debtors	21,000
Creditors	16,000	cash	9,000
Outstanding Salaries	4,000		
Bank Overdraft	40,000		

They admitted R to the firm and he brings Rs. 50,000 as capital through bank & he is unable to bring any cash for his share of Goodwill. New profit sharing ratio will be 5:3:2. Fixed asset were Overvalued by Rs. 10,000 & creditors amounting Rs. 5,000 is to be written back as no longer payable. Market Value of Investment is Rs. 60,000. Goodwill of firm is valued 50,000. It is decided among the partners to open R's Current Account temporarily in the books of firm for adjustment of goodwill.

The capital of the partners will be adjusted on the basis of their new profit sharing ratio and excess or deficiency transferred to the current account of the partners. Prepare Revaluation Account, Partners Capital Accounts, and Balance Sheet on the event of Partners' admission.

OR

Jain, Gupta & Mishra are Partners in a firm sharing profit & losses in the ratio of 3:2:1. Their Balance sheet as at 31st March, 2008 is as under:

<i>Laibilities</i>	Amount	<i>Assets</i>	Amount
Capital Accounts		Goodwill	10,000
Jain 40,000		Machinery	70,000
Gupta 40,000		Furniture	30,000
Mishra 30,000	1,10,000	Stock	18,000
Reserve	12,000	Debtors 25,000	
Creditors	30,000	Less: Provision 3,000	22,000
Bills Payable	16,000	Cash	18,000
	1,68,000		1,68,000

- B retires on 1st April, 2008 on following terms:
- a Provision for Doubtful debts be raised by Rs. 1,000.
  - b Stock to be depreciated by 10% and furniture by 5%.
  - c There is an outstanding claim of damages of Rs. 1,100 and it is to be provided for.
  - d Creditors will be written back by Rs. 6,000.
  - e Goodwill of the firm is valued at Rs. 22,000.
  - f B is paid in full with cash brought in by A & C in Such a manner that their capital are in proportion to their profit-sharing ratio and cash in hand remain at Rs. 10,000.
- Prepare Revaluation & Partner's Capital Accounts and Balance Sheet of A & C. 8

## Part B

### Financial Statement Analysis

17. Quick Ratio of the Company is 1.5 : 1 State giving reason whether the ratio will improve, decline or not change on payment of dividend by the company. 1
18. State whether cash deposited into bank will result in inflow, outflow or no flow of cash. 1
19. What is meant by cash equivalents? 1
20. Under which head would you disclose the following items in the Balance Sheet of a Limited Company?  
 a. Call-in-arrears;  
 b. Debenture Suspense Account, and  
 c. Bill Receivable. 3
21. If the Company has ROI of 25% and its Capital comprises:  
 a. Equity Share capital of Rs. 2,00,00,000 divided into equity share of Rs. 10 each.  
 b. 10% Preference share Capital of Rs. 50,00,000 divided into Preference share of Rs. 100 each.  
 c. 15% Debenture of 1,50,00,000 divided into Debenture of Rs. 1000 each.  
 Company comes under the Tax Bracket of 45%. Calculate the share holder gain per share and give us significance of calculating such gain. 4

22. From the following Balance Sheet as on 31st December, Prepare Comparative Income Statement:

	<b>2005</b>	<b>2006</b>
	<b>Rs.</b>	<b>Rs.</b>
Sales	2,00,000	2,50,000
Less: COGS (including depreciation of Rs.10,000)	<u>1,70,000</u>	<u>2,10,000</u>
Gross Profit	30,000	40,000
Less: Office Rent	5,000	5,000
Salesmen's Commission	2,000	2,200
Interest on Debentures	5,000	5,500
Add: Profit from sale of Investment	1,500	2,000
Net Profit	<u>19,500</u>	<u>29,300</u>

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23.

Following is the Balance Sheet of Ramsawroop Ltd. Prepare Cash Flow Statement as on 31st March 2009

**Balance Sheet of ABC Ltd.  
as on 31st march 2009**

<b>Liabilities</b>	<b>2007-08</b>	<b>2008-09</b>	<b>Assets</b>	<b>2007-08</b>	<b>2008-09</b>
Equity Share Capital	200,000	200,000	Fixed Asset	235,000	275,000
Profit & Loss Account	50,000	90,000	Stock	25,000	15,000
Bank Loan	10,000		Debtors	10,000	20,000
Creditors	15,000	20,000	Cash	22,000	28,000
Proposed Dividend	10,000	8,000	Bank	18,000	10,000
Provision for Taxes	20,000	25,000			
Unclaimed Dividend		4,000			
Outstanding Exp.	5,000	1,000			
	<b>3,10,000</b>	<b>3,48,000</b>		<b>3,10,000</b>	<b>3,48,000</b>

Depreciation provided during the year was Rs, 20,000 and Paid Rs. 15,000 as income tax.

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-----Best of Luck-----